



**Ministry of Environment, Climate Change and Technology**  
Republic of Maldives

**TERMS OF REFERENCE**  
(IUL)438-ENV/438/2022/54

**Enhancing National Development through Environmentally Resilient Islands (ENDhERI)**  
**Financial Audit**

**Issued on:** 27<sup>th</sup> February 2022

**Issued By:** Enhancing National Development through Environmentally Resilient Islands (ENDhERI)–  
Project Management Unit

**TABLE OF CONTENTS**

i.	SCHEDULE OF CRITICAL DATES .....	3
ii.	SUBMISSION REQUIREMENTS .....	3
1.	BACKGROUND .....	5
2.	OBJECTIVE: .....	5
3.	TASK OF AUDITOR .....	5
4.	FINANCIAL STATEMENTS .....	6
5.	AUDITORS OPINION .....	6
6.	MANAGEMENT LETTER.....	6
7.	GENERAL.....	6
8.	DELIVERABLE.....	7
1.	REMUNERATION & TENTATIVE PAYMENT SCHEDULE:.....	7
9.	QUALIFICATIONS AND EXPERIENCE .....	7
10.	EVALUATION CRITERIA .....	8
	ANNEX A.....	10
	TECH FORM 1 – Proposal Submission Form.....	10
	TECH FORM 2 – Work Schedule .....	11
	TECH FORM 3 – Curriculum Vitae.....	12
	TECH FORM 4: Letter of Commitment (Auditor).....	13
	FIN FORM 1 – Financial Proposal Submission Form.....	14
	FIN FORM 2 – Financial Breakdown Form.....	15
	FIN FORM 3 – Financial Situation.....	16
	FIN FORM 4 – Average Annual Turnover.....	17
	FIN FORM 5 – Financial Resources.....	18
	FIN FORM 6 – Line of Credit Letter.....	19
	FIN FORM 7 – Current Contract Commitments / Work in Progress .....	20

**i. SCHEDULE OF CRITICAL DATES**

<b>Activity</b>	<b>Action Date</b>
Advertised date	27 <sup>th</sup> February 2022
Pre-Bid Meeting date	03 <sup>rd</sup> March 2022 at 1100hrs
Bid queries submission timeline	24 <sup>th</sup> February 2022 to 3 <sup>rd</sup> March 2022 at 1200hrs
Bid clarification deadline	06 <sup>th</sup> March 2022 at 1200hrs
Proposal submission deadline	09 <sup>th</sup> March 2022 at 1100hrs

**ii. SUBMISSION REQUIREMENTS**

The following related documents shall be submitted for the bids to be considered sufficiently responsive.

Applicants should submit their proposals containing the following documents and applicable Technical Proposal – Standard Forms and Financial Proposal – Standard Forms under ANNEX A.

**a. Technical Proposal – Standard Forms**

1. Proposal submission form (**signed by the owner of the entity**) – (Tech Form 1)
2. Approach, Methodology and Work Plan – (Tech Form 2)
3. A summary of the work plan must be presented in the format in Work Schedule (Tech Form 3) showing in the form of a bar chart the timing proposed for each activity.
4. Curriculum Vitae (CV) of the identified key Expert (Auditor) **Copy of academic certificates and reference letters** demonstrating experiences listed in this TOR (required experiences and other experiences relevant to this TOR must be specified clearly or highlighted) – (Tech Form 2)
5. Completed **Letter of Commitment (signed by the Team Leader)** – (Tech Form 3)
6. Copy of Business (company/partnerships/institutions) registration certificate.
7. Copy of GST Registration certificate issued by MIRA (Maldives Inland Revenue Authority) – if registered
8. Tax payer registration Certificate / Notification Copy
9. SME Registration Certificate

**b. Financial Proposal – Standard Forms**

1. FIN FORM 1 – Financial Proposal Submission Form
2. FIN FORM 2 – Financial Breakdown Form
3. FIN FORM 3 – Details Financial Situation (if applicable)
4. Financial statements of the business for the year 2020 (if applicable)
5. Business entities that have not completed one year (from the date of business registration to date of bid announcement) are required to submit the bank statement of the business's bank account. (Bank statement should be from the date of account opening to date of bid announcement)
6. (Bank statement should be from the date of account opening to date of bid announcement)
7. FIN FORM – 4: Average Annual Turnover
8. FIN FORM -5: Financial Resources
9. FIN FORM -6: Line of Credit Letter
10. FIN FORM -7 Current Contract Commitments / Work in Progress

**Note 01: All bidders should clearly identify Key Experts (herein referred to as the ‘Consultant’) carrying out the task. For bids submitted by Company/Institution, the Key Experts signed in Form 5 will be considered for the evaluation process.**

**Note 02: If bidder fails to submit any of the above listed document, their proposal may not be considered for further evaluation.**

**Note 03: After the evaluation, highest scoring party will be notified to submit tax clearance report. Tender will be awarded upon submission of tax clearance report**

## **1. BACKGROUND**

The Government of the Republic of Maldives through the Ministry of Environment is implementing Enhancing National Development through Environmentally Resilient Islands (ENDhERI) project financed by Global Environment Facility (GEF) and assisted by United Nations Environment Program (UNEP) with the objective of enhancing reef protection, resilience and ecosystem recovery by reducing development impacts in a selected project site in the Maldives, enabled for replication nationally through public awareness and integrating the values of marine biodiversity and other natural capital in national accounts.

The cost of the project by GEF Trust Fund is 3.5 Million USD. The project technical completion date is 30th September 2024 and project closure is set to be by 30<sup>th</sup> September 2025.

## **2. OBJECTIVE:**

The objective of the audit is to enable the auditor to express a professional opinion on the financial position of the ENDhERI of the funds received and expenditures. The financial audit shall be for all years of the project from the start of the project execution; 21<sup>st</sup> March 2021 to 30<sup>th</sup> September 2025. The audit shall also determine whether the Project Management Unit (PMU) of the project has made adequate arrangements to ensure that the proceeds from the Government of Maldives are used for the purpose of the money received with attention and considerations of economy and efficiency without regard to political or other non-economic influences or considerations.

The books of account of the PMU will provide the basis for preparation of the financial audit to reflect the financial transactions.

## **3. TASK OF AUDITOR**

The audit will be carried out in accordance with the International Auditing and Assurance standards (ISA) and will include such tests and controls as the auditor considers necessary under the circumstances. In costing the audit, special attention should be paid to the following.

- All external funds have been used (including procurements of goods and services) in accordance with the conditions of the relevant financing agreements, with due attention to economy and efficiency and only for the purpose for which the finances were provided.
- All necessary supporting documents, records and accounts have been kept in respect of all project ventures including expenditures reported via financial monitoring reports.
- Clear linkages should exist between the books of account and reports presented to the donor.
- Procedures and controls exist in the project to conduct physical verification of the fixed assets and inventories exists, which will be tested as may be deemed necessary under the assurance standards by the auditor.

- The project accounts have been prepared in accordance with consistently applied International Accounting Standards as adopted by the PMU and gives a true and fair view of the financial situation of the project at the year end and of recourses and expenditure for the year ended on that date.

#### **4. FINANCIAL STATEMENTS**

The project financial statement shall include the following:

- Summary of Funds received.
- A balance sheet showing the accumulated funds of the project, bank balances, other assets of the project and liabilities.
- A statement of significant accounting policies.
- Explanatory notes to the financial statements if any.

#### **5. AUDITORS OPINION**

Besides a primary opinion on the project financial statements, the annual audit report of the project shall include separate paragraph commenting on the accuracy and propriety of expenditure withdrawn under each expenditure category. The auditor should submit the two copies of the audit accounts and audit reports.

#### **6. MANAGEMENT LETTER**

In addition to the other areas, the auditor will also comment on:

- Observations the accounting records, systems and controls that were examined during the course of the audit.
- Identify deficiencies and areas weakness in system, internal audit and other controls and make recommendation for their improvement. Also recommend specific areas that may require performance audit to substantiate economy and efficiency in operations.
- Report on the degree of the compliance of the financial covenants on the financing agreements.
- Communicate matters that have come to attention during the audit which might have a significant impact on the implementation of the project.
- Comment on the implementation of recommendations from previous management letter if any, including any issues which remain to be addressed and any issues which recurred.
- Bring to attention any other matters that the auditor considers pertinent.

#### **7. GENERAL**

The auditor should be given access to all legal documents, correspondences and any other information associated with the project and deemed necessary by the auditor. Confirmation should also be obtained of

amounts disbursed and outstanding. It is highly desirable that the auditor become familiar with related guidelines and requirements of the various donors.

## 8. DELIVERABLE

The assignment is to be delivered as specified below:

Details	Date of Submission
Financial Audit 2021	Within 45 days from contract signing
Financial Audit 2022	Within 60 days from 1 <sup>st</sup> February 2023
Financial Audit 2023	Within 60 days from 1 <sup>st</sup> February 2024
Financial Audit 2024	Within 60 days from 1 <sup>st</sup> February 2025
Financial Audit 2025	Within 60 days from 30 <sup>th</sup> September 2025

## 9. TENTATIVE PAYMENT SCHEDULE:

Suggest any workable workplan that will enable to reach the outputs and the deliverables as per this assignment. The consultant may submit the work schedule as give in the “TECH FORM 2 – Work Schedule”.

Details	Date of Submission	Weightage
Financial Audit 2021	Within 45 days from contract signing	20%
Financial Audit 2022	Within 60 days from 1 <sup>st</sup> February 2023	20%
Financial Audit 2023	Within 60 days from 1 <sup>st</sup> February 2024	20%
Financial Audit 2024	Within 60 days from 1 <sup>st</sup> February 2025	20%
Financial Audit 2025	Within 60 days from 30 <sup>th</sup> September 2025	20%

## 10. QUALIFICATIONS AND EXPERIENCE

The Ministry of Environment is seeking an experienced audit firm with the following criteria:

1. Minimum 2 years of experience on conducting similar assignments
2. Auditor shall have performed at least one similar assignment related to international banks or government entity.
3. Shall be a licensed auditor by the respective Maldivian authorities.

## 11. EVALUATION CRITERIA

The auditing firm will be selected based on the following criteria:

Selection Criteria	Weightage %	Evaluated Documents
Experience of key Staff (Minimum 2 years of experience on conducting similar assignments)	20	Letters of experience submitted
Experience of firm, conducting audits in donor funded projects. (Minimum 2 years of experience on conducting similar assignments)	30	Letters of experience submitted
<p>Proposed financial value:</p> <p>The proposal with the Lowest Financial Quote (Fq) will get the maximum Financial Score (Sf) of 100 points. The Financial Scores (Sf) of the other Financial offer will be computed according to the following formula: <math>Sf = 100 \times Fq / F</math>, in which Sf is the financial score, Fq is the Lowest Financial Quote received and F is the price of the proposal under consideration.</p>	50	

## 12. FINANCIAL SITUATION EVALUATION

- To be eligible the financial statements of the bidding party must show, minimum annual turnover of **MVR 61,680.00**, for the year 2020.

(or)

- To be eligible the financial statements of the bidding party must show, Minimum value of **MVR 61,680.00**, for liquid asset, for the year 2020.

(or)

- For business mentioned in the section (ii) B no 5, to be eligible the business's bank statement must show a credit balance of minimum **MVR 61,680.00**

(OR)

- Business entities that have not completed one year (from the date of business registration to date of bid announcement) are required to submit the bank statement of the business's bank account. (bank statement should be from the date of account opening to date of bid announcement). To be eligible the business's bank statement must show a credit balance of minimum **MVR 61,680.00**

(OR)

- If bidding party is unable to meet any of the above requirement they shall submit 'Line of Credit Letter' As per the template in FIN form 4. Credit limit shall be no less than **MVR 61,680.00 (Submission Form Fin -4: Line of Credit Letter)**



### Additional Information

- Ministry of Environment, Climate Change and technology has overall responsibility for the management of the contract and contractual reporting obligations.
- Documents and data provided by the government for the purpose of this assessment which is not of public nature shall be considered confidential and should not be disclosed to any other party.
- All outputs and materials produced as part of this TOR shall be handed over to the ENDhERI project at the end of the contract and will become the sole property of Ministry of Environment, Climate Change and Technology.

### 13. SUBMISSION

<b>Bid submission</b>	<b>On or before 09th March 2022 – 1100 hours local time</b>
Bid opening	09th March 2022 – 1100 hours local time. Proposals will be opened in the presence of the proponents’ representatives who choose to be present at the address below at the time of proposal opening.
Submission instruction	Proposals must be delivered in sealed envelopes titled <b>“Do not Open Before 09th March 2022 – 1100 hours – Financial Audit of ENDhERI Project” and the submitting party’s name and address</b> Electronic submission is not permitted. Late proposals will be rejected.
Submission address	Procurement Section Ministry of Environment, Climate Change and Technology Green Building, Handhuvaree Hingun, Maafannu Male’, 20392, Republic of Maldives Email: procurement@environment.gov.mv Website: www.environment.gov.mv Project name: Enhancing National Development through Environmentally Resilient Islands

## ANNEX A

### TECH FORM 1 – Proposal Submission Form

[Location, Date]

To: [Name and address of Client]

Dear Madam/Sir:

I, the undersigned, would like to express my interest for the ‘**Financial Audit of Enhancing National Development through Environmentally Resilient Islands (ENDhERI)**’ in accordance with your Request for Proposal Ref: (IUL)438-ENV/438/2022/54 Dated 23<sup>rd</sup> February 2022, I am hereby submitting my Proposal, which includes all required documents as per Request for Proposal.

I hereby declare that all the information and statements made in this Proposal are true and accept that any misinterpretation contained in it may lead to our disqualification.

If negotiations are held during the period of validity of the Proposal, I undertake to negotiate on the basis of the proposed fees. The Proposal is binding upon myself and subject to the modifications resulting from Contract negotiations.

I undertake, if my Proposal is accepted, to initiate the services and fulfil the terms and conditions related this contract.

I understand you are not bound to accept any Proposal you receive.

I remain,

Yours sincerely,

Signature [In full and initials]:

Name and Title of Signatory:

Name of Individual:

Address:

**TECH FORM 2 – Work Schedule**

Work Schedule for the Consultancy Service for Financial Audit for ENDhERI												
Description	Year 1 (6 Weeks)	Year 2 (8 Weeks)	Year 3 (8 Weeks)	Year 4 (8 Weeks)	Year 5 (8 Weeks)							
Activity												
_____												
_____												
_____												

### **TECH FORM 3 – Curriculum Vitae**

**1. Name of Auditor:**

**2. Education** *[Indicate college/university and other specialized education of staff member, giving names of institutions, degrees obtained, and dates of obtainment]:*

**3. Membership of professional associations**

**4. Other Training**

**5. Countries of work experience** *[List countries where the Consultant has worked in the last ten years]:*

**6. Languages** *[For each language indicate proficiency: good, fair, or poor in speaking, reading, and writing]:*

**7. Experience/ employment record** *[Starting with present position, list in reverse order every employment held the Consultant since graduation, giving for each employment (see format here below): dates of employment, name of employing organization, positions held.]*

From [Month/Year] – To [Month/Year]:

Employer:

Positions held:

Job description:

**8. Summary of projects/assignments undertaken/ role**

Name of project/ assignment:

Experience classification: General / specific

Scope of project/ assignment:

From [Month/Year] – To [Month/Year]:

Positions held:

**9. Past commitments in projects with the Ministry of Environment, Climate Change and Technology**

Name of the Contract/Project:

From [Month/Year] – To [Month/Year]:

Positions held:

Summary of role

**TECH FORM 4: Letter of Commitment (Auditor)**

[ Location, Date]

To: [Name and address of Client]

Ref no: \_\_\_\_\_

Dear Sir/Madam,

I am writing to confirm my availability to provide services as the **Financial Auditor** - for the Ministry of Environment, Climate Change and Technology.

I undertake, if this proposal is accepted, to complete and deliver the whole of the services assigned to me in the scope of services.

I undertake, if this proposal is accepted upon receipt of the Ministry of Environment, Climate Change and Technology's notice, to commence performance of the services with due expedition and without delay.

Yours sincerely,

Name:

ID card No:

Date:

Signatory:

## **FIN FORM 1 – Financial Proposal Submission Form**

[Location, Date]

To: [Name and address of Client]

Dear Madam/Sir:

I, the undersigned, offer the express my interest for the ‘**Financial Audit for “Enhancing National Development through Environmentally Resilient Islands (ENDhERI) Project”**’ – Ref: (IUL)438-ENV/438/2022/54 dated 23<sup>rd</sup> February 2022 in accordance with your Request for Proposal dated [xxx] and Technical Proposal. The attached Financial Proposal is for the sum of [Insert amount(s) in words and figures in MVR]. This amount is inclusive of the all local taxes.

The Financial Proposal shall be binding upon myself subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal.

I undertake, if my Proposal is accepted, to initiate the services and fulfil the terms and conditions related this contract.

I understand you are not bound to accept any Proposal you receive.

Yours sincerely,

Signature:

Name and Title of Signatory:

Address:

**FIN FORM 2 – Financial Breakdown Form**

Date:

Reference No: (generated by the proponent)

No.	Description	MVR
1	Financial Audit 2021 - Within 45 days from contract signing	
2	Financial Audit 2022 - Within 60 days from 1 <sup>st</sup> February 2023	
3	Financial Audit 2023 - Within 60 days from 1 <sup>st</sup> February 2024	
4	Financial Audit 2024 - Within 60 days from 1 <sup>st</sup> February 2025	
5	Financial Audit 2025 - Within 60 days from 30 <sup>th</sup> September 2025	
	<b>Total</b>	
	<b>GST</b>	
	<b>Total with GST</b>	

**The quotation is valid for 90 days from the date of Application.**

Indicate the total cost with detail cost to be paid in Maldivian Rufiyaa (MVR).

Note: The total contract price should be quoted inclusive of Goods and Services Tax (GST) or any applicable axes as per the Tax Legislation and must be shown in the breakdown.

Authorized Signature and stamp

**FIN FORM 3 – Financial Situation**

Each Applicant must fill in this form

Financial Data for Previous 3 Years [MVR Equivalent]			
	Year 2020:	Year 2019:	Year 2018:

Information from Balance Sheet

Total Assets			
Total Liabilities			
Net Worth			
Current Assets			
Current Liabilities			
Working Capital			

Information from Income Statement

Total Revenues			
Profits Before Taxes			
Profits After Taxes			

Attached are copies of financial statements (balance sheets including all related notes, and income statements) for the last three years, as indicated above, complying with the following conditions.

- All such documents reflect the financial situation of the Bidder.
- Historic financial statements must be complete, including all notes to the financial statements.

- Historic financial statements must correspond to accounting periods



**FIN FORM 4 – Average Annual Turnover**

Each Bidder must fill in this form

Annual Turnover Data for the Last 3 Years		
Year	Amount Currency	MVR Equivalent
2020		
2019		
2018		
Average Annual Turnover		

The information supplied should be the Annual Turnover of the Bidder in terms of the amounts billed to clients for each year for contracts in progress or completed at the end of the period reported.

**FIN FORM 5 – Financial Resources**

Specify proposed sources of financing, such as liquid assets, unencumbered real assets, lines of credit, and other financial means, net of current commitments, available to meet the total construction cash flow demands of the subject contract or contracts as indicated in Section 3 (Evaluation and Qualification Criteria)

Financial Resources		
No.	Source of financing	Amount (MVR equivalent)
1		
2		
3		

**FIN FORM 6 – Line of Credit Letter**

*[letterhead of the Bank/Financing Institution/Supplier]*

*[date]*

**To:***[Name and address of the Contractor]*

Dear,

You have requested {name of the bank/financing institution) to establish a line of credit for the purpose of executing {insert Name and identification of Project}.

We hereby undertake to establish a line of credit for the aforementioned purpose, in the amount of {insert amount}, effective upon receipt of evidence that you have been selected as successful bidder.

This line of credit will be valid through the duration of the contract awarded to you.

Authorized Signature: \_\_\_\_\_

Name and Title of Signatory: \_\_\_\_\_

Name of Agency: \_\_\_\_\_

**FIN FORM 7 – Current Contract Commitments / Work in Progress**

**Current Contract Commitments/Works in Progress**

Tenderers and each partner to a JV should provide information on their current commitments on all contracts that have been awarded, or for which a letter of intent or acceptance has been received, or for contracts approaching completion, but for which an unqualified, full completion certificate has yet to be issued.

No	Name of contract	Employer, contact address/tel/fax	Value of outstanding work (current MVR equiv)	Estimated completion date	Average monthly invoicing over last six months (MVR/month)
1.					
2.					
3.					
4.					
5.					

**GENERAL INFORMATION**

<b>1</b>	<b>Bid Awarding</b>	
	1.1	Bidder will be informed of the decision to award a bid via an official intent to award the bid.
	1.2	If the value of the bid exceeds <b>MVR 500,000</b> the bidder will be required to submit a performance guarantee of ( <b>.... %</b> ) of the total contract value prior to signing the contract. The performance guarantee must be issued by a Bank or a Financial Institution located in any eligible country. If the institution issuing the gurantee is located outside the Republic of Maldives, it shall have a correspondent financial institution located in the Republic of Maldives to make it enforceable.  <b>(Excluding Consultancy Service)</b>
	1.3	Failure of the successful bidding party to submit the aforementioned performance guarantee, or sign the Contract, shall constitute sufficient grounds for the annulment of the award and forfeiture of the Bid Security. In that event the Ministry may award the contract to the next lowest evaluated bidder, provided the bidder is capable of performing the contract satisfactorily.
	1.4	Standstill period
		The Contract shall be awarded not earlier than the expiry of the Standstill Period. The duration of the Standstill Period is 5 days. The Standstill Period commences the day after the date the Employer has transmitted to each Bidder (that has not already been notified that it has been unsuccessful) the Notification of Intention to Award the Contract. Where only one Bid is submitted, the Standstill Period shall not apply.
<b>2</b>	<b>Liquidated Damages (Excluding Consultancy Service)</b>	
	2.1	The Contractor shall pay liquidated damages to the Employer at the rate per day <b>stated in the Public Procurement Regulation</b> for each day that the Completion Date is later than the Intended Completion Date. The total amount of liquidated damages shall not exceed the amount <b>defined in the Public Procurement Regulation</b> . The Employer may deduct liquidated damages from payments due to the Contractor. Payment of liquidated damages shall not affect the Contractor’s liabilities.
<b>3</b>	<b>Securities (Excluding Consultancy Service)</b>	
	3.1	If the price quoted by a bidding party exceeds MVR 500,000 in value, the bidding party will be required to submit a bid security of MVR....., with validity of no less than 60 days.  Bid Security must be a bank guarantee letter or security issued by a Bank or a Financial Institution located in any eligible country.  Bank Cheques, Bonds and Cash will not be accepted as bid security.

<b>4</b>	<b>Advance Payment (Excluding Consultancy Service)</b>	
	4.1	Vendor has to request for Advance payment within 45 days from the contract date start.
	4.2	Vendor has to submit Advance payment guarantee with the Invoice (15% of Contract price Maximum)
<b>5</b>	<b>Arithmetic</b>	
	5.1	Provided that the Tender is substantially responsive, the Employer shall correct arithmetical errors on the following basis:
	5.1.1	only for unit price contracts, if there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected, unless in the opinion of the Employer there is an obvious misplacement of the decimal point in the unit price, in which case the total price as quoted shall govern and the unit price shall be corrected;
	5.1.2	if there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and
	5.1.3	if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (a) and (b) above.
	5.2	If the Tenderer that submitted the lowest evaluated Tender does not accept the correction of errors, its Tender shall be declared non-responsive.